

Jim

COR-0645

13 October 1959

Mr. 

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Dear Dan:

Pursuant to the agreement reached during negotiation of Amendment No. 7 we have developed the changes necessary to the Work Statement of Contract AF 33(600)-37230 in order that the Work Statement will conform to the redetermined price of  set forth in Amendment No. 7.

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The Work Statement as it existed prior to Amendment No. 7 is comprised of the document entitled WORK STATEMENT dated April 25, 1958, Ref. COR-0016, as further modified by a revised Delivery Schedule incorporated into the Contract by Amendment No. 6. The following changes to this Work Statement are necessary to conform it to the aforementioned redetermined price and are hereby proposed in the form which we consider suitable for a further amendment:

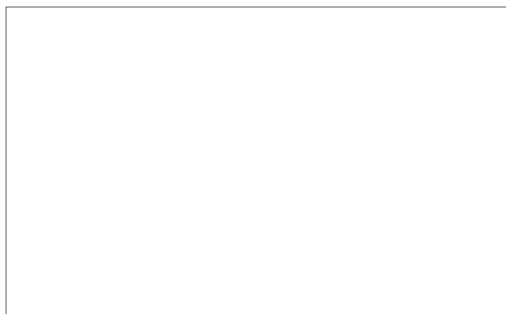
- (1) The second paragraph of the WORK STATEMENT, Ref. COR-0016, which commences with the word "Delivery" is hereby deleted and the following two paragraphs are substituted in lieu thereof:

"Deliver twelve flight units of the configuration flown on Discoverer VI, Flight Unit 9003, as defined by Contractor's drawing structure." (Reason: To define unit configuration as priced in Amendment No. 7.)

"Delivery of the twelve flight units is to be accomplished as follows: Two units in June 1959; one unit in July 1959; two units in August 1959; three units in September 1959; four units in October 1959." (Reason: To establish revised unit delivery schedule as priced in Amendment No. 7.)

- (2) The revised Delivery Schedule incorporated into the Contract by Amendment No. 6 is hereby modified by the deletion therefrom of the ITEMS entitled "FLIGHT UNITS" and "FLIGHT SCHEDULE". (Reason: To delete superseded schedule and eliminate flight schedule as priced in Amendment No. 7.)

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Amend # 9  
Page 9  
RT-100

- 2 -




13 October 1959

50X1

- (3) The last paragraph of the WORK STATEMENT, Ref. COR-0016, is hereby deleted and the following paragraph is substituted in lieu thereof:

"Conduct technical briefings on the progress of the work hereunder at approximately monthly intervals as required by the Government. Provide fiscal reports at the times and such detail as the Contracting Officer may require." (Reason: To align wording of Work Statement with existing practice as required by the Government.)

At this time it is important to note that the redetermined price in Amendment No. 7 anticipated the completion of delivery of all twelve units by the end of October 1959. In addition, the price anticipated that eight of the twelve units would have been flown by the end of October 1959 and that thereafter we would have stored and maintained the remaining four units, finally checking them out for flight on the basis of two flights in March and two flights in April 1960 to complete the contract.

Since that time, we have been instructed to depart materially from that plan. The flights themselves have been delayed and the units are being modified in a number of different ways. (Reference: 12-Point Program reported to  in Status Report Week Ending 30 August 1959.)

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During the period of the next several weeks we will prepare and submit to you a further request for contract change to take into account these recent developments in order that the technical description of the units to be delivered, their delivery schedule, and the contract price, may be modified accordingly.

Even more recently, AFBMD representatives have introduced a potential problem related to detailed specifications against which to conduct inspections for acceptance. It is my present understanding that our people believe this matter can be resolved in the near future without the necessity of our having to incur substantially increased costs due to the introduction of requirements not contemplated in the original contract.

- 3 -

Mr. 

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We expect to be able to cover these points with you by the time we submit our next request for Contract change referred to in the paragraphs immediately above.

Very truly yours,



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WDO:p

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